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Lingle dedicates low-income homes

GOVERNOR VISITS HILO'S LANAKILA HOUSING PROJECT

BY HUNTER BISHOP
STEPHENS MEDIA GROUP

Hawaii Gov. Linda Lingle helped dedicate 28 new low-income housing units in the Lanakila housing project in Hilo Monday morning. Then she asked an attendant to open up one of the numerous empty housing project homes nearby.

What she found illustrated what she believes is a fix for the state's growing affordable housing crisis.

"There's an unmistakable optimism in the air," she said. "The economy is booming, personal income is up, bankruptcies are down. With that success comes a challenge. The biggest is affordable housing. We have to unite around a solution.

"There is no reason people shouldn't be living in those houses," Lingle later told the Hawaii Island Chamber of Commerce. Seven years ago, 60 people were removed from those units, she said. Now they sit empty "right in Hilo where there's a tremendous need" for affordable housing.

Lingle admitted not knowing what would be necessary to make the Lanakila units habitable again, but said it appeared they could be fixed.

With average rental cost for a unit in Hilo at \$1,000 per month, she said, quoting local real estate agent Nancy Cabral, "We need to spend more on preventive maintenance and repair. I asked the Legislature for \$10 million over two years for maintenance of existing public housing units to make them safe and decent to live in," she said.

Lingle described similar public housing units on Oahu that are empty because of maintenance problems. "When the roof leaked, (state housing officials) just moved people out. It's not fair to the taxpayer or to the residents. We spend millions to build, (but) nothing for maintenance."

Lingle said another fix for the state housing problem is to prohibit "raids" on the state housing fund. Lingle said the Legislature has tapped the state housing fund for \$200 million over 10 years which was then deposited in the general fund. She blames the raids on increased wages, health and retirement benefits for the state workforce. "We can't go on like this for much longer," she said.

State revenues are increasing but they are being eaten up by wage increases for the unionized state work force, Lingle said. "We have to be willing to share the increases in revenues."

Lingle is also proposing a new tax credit. In the past year, housing costs have shot up 27 percent on the Big Island, and the median price of a home now is \$365,000, she said. "People need affordable housing right now. We need a comprehensive approach to deal with this issue."

Another part of her housing solution is to increase the standard deduction on the state income tax which has not risen in 20 years. "We're penalizing the lowest-paid earners," Lingle said.

"Our tax system is structured to hurt the poor the most," so she's asked the legislature to raise the standard deduction over the next three years.

Lingle also told the Chamber of Commerce that she supports the idea of allowing the counties to raise the excise tax if they want to, not necessarily the tax increase itself. "I've always support counties having that authority. I would be hypocritical not to support that," but not necessarily for light rail or other transportation needs, as currently proposed in Honolulu.

"The counties have grown a lot and can determine their own priorities," she said.

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